

City of Alexandria, Virginia
FY 2022 Proposed Operating Budget & CIP
Budget Questions & Answers

April 5, 2021

Question: How have affordable housing CIP funds been spent to date? Can staff provide details of what projects are in the pipeline to be financed in each year of the Affordable Housing CIP Project?

Response:

Affordable Housing Project Spending: FY 2019 through FY 2021

Affordable housing CIP funds have been used for gap financing for development/new construction, preservation, rehabilitation, planning, predevelopment, and employee homeownership assistance, which includes the following work:

- Development/new construction
- Preservation: existing building acquisition and/or extension of affordability
- Rehabilitation: improvements to existing buildings, potentially pursuant to an acquisition, and with the goal of extending useful life and affordability
- Planning efforts: city-initiated studies and plans
- Predevelopment: concept development-related work and studies, usually undertaken by nonprofit development partners as part of the City review/approval process
- Employee homeownership assistance: reinstatement of the Employee Homeownership Incentive Program through the approved FY 2021 budget

Exclusive of funds expended for planning and study purposes, the monies deployed to date will help produce or preserve over 1,500 committed affordable and workforce units to meet the City's Housing Master Plan goal and Alexandria's allocation of the Regional Housing Initiative target.

The Affordable Housing project was added to the CIP in FY 2019. Through the FY 2021 Approved CIP budget, a total of \$19.19 million has been budgeted to the project. Of that, \$3.5 million is intended to repay the CY 2019 bridge loan for the acquisition of the Avana Apartment Complex. This leaves a remaining project balance of \$15.69 million. The below chart details how \$14.44 million of this funding has been allocated for spending, as of March 2021. The remaining balance of FY 2021 CIP funding of \$1.25 million will be used for additional predevelopment work to existing projects, and/or as carryover funding to be used for future projects listed on subsequent pages.

Approved CIP Funding as of March 2021

<u>Project Name</u>	<u>Year</u>	<u>Amount Allocated to Project</u>	<u>Use</u>	<u>Units</u>	<u>Small Area</u>	<u>Status</u>
The Nexus (AHDC)	2019	\$700,000	new construction	78	Alexandria West	complete
The Bloom (AHDC)	2019	\$1,700,000	new construction	97	Braddock	complete
The Waypoint (Wesley Housing)	2019	\$2,350,000	new construction	81	Seminary Hill	in progress
Ellsworth (AHDC)	2020	\$1,800,000	preservation	20	Taylor Run/Duke Street	complete
Affordable Housing Analysis – ADU, IZ, etc.	2020	\$100,000	planning	tbd	Citywide	in progress
Housing Master Plan Implementation – Tools review	2020	\$50,000	planning	tbd	Citywide	in progress
Parkstone (Avana) (AHDC)	2020	\$3,896,200	preservation	326	Alexandria West	complete
Landmark Towers	2021	\$2,500,000	rehabilitation	157	Landmark/ Van dorn	in progress
Parcview II Predevelopment (Wesley Housing)	2021	\$400,000	predevelopment	tbd	Landmark/ Van dorn	in progress
Arlandria Predevelopment (AHDC)	2021	\$500,000	predevelopment	tbd	Arlandria	in progress
Seminary Road Predevelopment (AHDC)	2021	\$250,000	predevelopment	tbd	Seminary Hill	in progress
Employee Homeownership Program (EHIP)	2021	\$200,000	homeownership	14-20	Citywide	in progress

Planned Future Affordable Housing Project Spending

City funding for affordable housing uses gap financing. Projects are contingent on a mix of funding sources beyond city funding that may include private, state, and federal funds among other sources with the City funding the difference.

FY 2022Seminary Road Project – AHDC

Affordable homeownership development of 40 townhouse and flats-style condos for households with incomes up to 80% AMI through the assembly of parcels which includes an existing Sheltered Homes of Alexandria group home property, a single family home property on which AHDC holds a purchase option and an adjacent City parcel.

Arlandria Project – AHDC – Phase One

Redevelopment of the old Safeway site on the corner of Glebe Road and Mount Vernon Avenue, as well as a City parking lot parcel into over 450 units of affordable and workforce housing. A substantial component of the project is planned to provide deep affordability. Phase I includes construction of underground parking to serve all building phases.

FY 2023Arlandria Project - TBD - 60-100 unit

An affordable housing project within the Arlandria plan area. Project will be brought to Council for consideration at a later date.

FY 2024Arlandria Project – AHDC – Phase Two

Continued redevelopment of the Safeway site along with the City parking lot on Mt Vernon Ave.

FY 2025Arlandria Project – AHDC – Phase Three

Final phase includes multifamily units (TBD rental or condo/coop) above community- serving commercial space (health – medical and dental - services, daycare/pre-K, nonprofit and/or City swing space to bring services to Arlandria neighborhood).

Parcview II

Expansion of the existing Wesley Parcview project with new development to occur on the property's existing surface parking lot and pool area.

Additional Projects:

It is noted that, in addition to the above projects, there are three other proposed affordable housing projects that could advance when/if additional resources are identified/available. These include a Low-Income Housing Tax Credit (LIHTC) project (approximately 120 plus units); a senior housing LIHTC project (approximately 120 units); and, a smaller mixed-use project has also been identified as an opportunity for affordable housing (approximately 50 units).

A second homeownership project (80-100 units) could proceed in the short to mid-term if funding were available as the site is under control of a nonprofit developer.

The list also does not include potential preservation projects: of highest priority, are future opportunities to acquire and preserve multifamily properties in the Arlandria neighborhood to protect existing tenants, avoid displacement, and enhance affordability, including through redevelopment, over time.

Also not included are potential ARHA redevelopment projects that might require City financial support for predevelopment or development in the short and mid-term (Samuel Madden, Andrew Adkins, Ladrey, Cameron Valley, Hopkins Tancil), as well as Year 15 transactions when ARHA has the opportunity to exercise its right to purchase tax credit properties from its investment partners (e.g., Chatham Square, Old Dominion, West Glebe, Quaker Hill).

Projects that could occur in the next 5-7 years are potentially eligible for additional leverage through the Virginia Housing Amazon Impact Grant Funds. The City is also pursuing leverage opportunities through Amazon's new Housing Equity Fund (application process is in development) as well as potential CDFI funding which is currently being studied by City staff.

Besides these opportunities, a number of potential mid to long term options to expand housing rental and ownership affordability are anticipated to be added to the 2026-2035 year pipeline, including North Potomac Yard Block 23 (approximately 150 units); redevelopment of a multifamily property in Arlandria (Approximately 400 plus units); South Patrick Street (approximately 200 plus units); mixed-income affordable assisted living (Eisenhower West; approximately 140 units); redevelopment of land-banking opportunities at Parkstone (approximately 200 plus units), and Longview Terrace/Ellsworth (approximately 120 plus units), along with potential unit buy-downs in the Beauregard Corridor pursuant to the Beauregard Small Area Plan.